

## Property Law Act Notice

When a loan is in default – e.g. behind in payments, expired or in default of the loan agreement, Southern Cross Group may issue the borrower with a Property Law Act (PLA) notice to sell the security and recover the debt.

A Property Law Act notice gives the borrower a timeframe in which to remedy the situation. The issue of and expiry date of this Property Law Act notice will be advised to investors. Should the borrower not remedy their default, we may then instruct a real estate agent to market and sell the security property.

The mortgagee sale process is as follows:

- Our solicitors are instructed to prepare and serve the PLA notice.
- The notice will expire on a specific date.
- If no satisfactory action has been taken by the PLA notice expiry date, a licensed real estate agent is engaged to provide a market appraisal
- A 4-week marketing campaign begins
- Property is sold via public auction or tender or other suitable method as advised by the real-estate agent to obtain best price reasonably retained.
- Settlement date will then be advised to the investors

Southern Cross Group will fully manage this process on your behalf through to conclusion.

Any settlement funds will be distributed in the following priority from the net proceeds received:

1. first, to the payment of all fees, costs and expenses properly incurred in relation to the mortgagee sale and Loan, including statutory costs, enforcement costs, insurance, rates, or any other fees, costs or expenses of any nature whatsoever relating to the mortgagee sale or the Loan;
2. secondly, to outstanding principal;
3. thirdly, to outstanding interest (including default interest other than our default interest); and
4. then, to our share of default interest and fees (click here to view the [Costs of Borrowing](#)).

Note that, except where there are Priority Arrangements in place (for example, where a Security Sharing Deed is in place), the amounts in 2 and 3 above will be distributed on a pro-rata basis by reference to the proportion of the Loan principal funded by each Investor (including an Initial Investor or a Related Party Investor), or other lender.